



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 5, 2000

### **H.R. 4435**

#### **A bill to clarify certain boundaries on the map relating to Unit NC01 of the Coastal Barrier Resources System**

*As ordered reported by the House Committee on Resources on May 24, 2000*

CBO estimates that enacting H.R. 4435 would result in no significant cost to the federal government. Because the bill could affect direct spending, pay-as-you-go procedures would apply, but we expect that net changes in direct spending would be negligible. H.R. 4435 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

H.R. 4435 would correct a map of the Coastal Barrier Resources System in North Carolina. The proposed correction would revise the boundaries of Unit NC01 to include 2,330 acres of aquatic habitat and exclude about 4 acres of developed land. This change would enable local property owners occupying the excluded acreage to obtain federal flood insurance. Once insurance policies have been written on the affected properties, offsetting collections from premiums paid into the national flood insurance fund would increase by less than \$50,000 per year. Collections would be partially offset by new mandatory spending for underwriting and administrative expenses. The federal government might also incur additional costs for losses associated with any future floods that might affect this land, but CBO has no basis for predicting such floods or their resulting costs.

The CBO staff contact is Deborah Reis. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.